

Towards a Substantial EU-Japan Partnership

César DE PRADO^{*}

The EU and Japan have spent decades normalizing trade links and attempting broader cooperation. In July 2017, political leaders agreed in principle to an economic partnership agreement (EPA) and to a strategic partnership agreement (SPA) hoping to enhance collaboration on economic, political, security and other issues, all buttressed by fundamental values of democracy, human rights and the rule of law. The agreements will likely be finalized and ratified this decade, so a more substantial partnership between the EU and Japan may unroll in economic and security fields as both sides adjust and converge their economic models and security paradigms. Yet, a comprehensive partnership based on shared values would take much more time to develop and galvanize the peoples of both sides.

1 AN EVOLVING, BUT STILL SHALLOW RELATIONSHIP

Official bilateral relations began in 1959 when Japan's Prime Minister visited Brussels and accredited Japan's ambassador to Belgium also as Japan's ambassador to the three European Communities, which became an enhanced European Union (EU) in the early nineties.¹ Since then the relationship has developed in two distinct phases.²

The first phase, lasting from the 1960s until the 1980s, was dominated by economic frictions while political relations emerged very slowly without any common strategic vision.³ The 1960s saw the beginning of trade frictions while Japan started political dialogues with the main Member States individually and through its membership in the OECD. In the 1970s there was no European Political Cooperation interested in Japan, although some contacts took place via the Trilateral Commission, the US-led, high-level advisory network for the newly created G-7 group of leaders of most industrialized countries.⁴ The 1980s

^{*} Associate Professor, Centre for European Studies, Guangdong Institute for International Strategies, Guangdong University of Foreign Studies, China. Acknowledgment of support from the Institute of European Studies of Macau. Cesar.dePrado@eui.eu.

¹ O. Frattolillo, *Diplomacy in Japan-EU Relations: From the Cold War to the Post-Bipolar Era* (Routledge 2013).

² Both the EU and Japan have official websites on the bilateral relationship. European External Action Service: <http://eeas.europa.eu/>; EU Delegation to Japan: www.euinjapan.jp; Japan's Ministry of Foreign Affairs: www.mofa.go.jp/region/europe/eu/; The Mission of Japan to the EU: www.eu.emb-japan.go.jp/itprtop_en/index.html (all websites were accessed and working on 10 Oct. 2017).

³ K. Togo, *Japan's Foreign Policy 1945–2009: The Quest for a Proactive Policy* 261–288 (Brill 2005).

⁴ S. Gill, *American Hegemony and the Trilateral Commission* (Cambridge University Press 1990).

witnessed an incipient bilateral political dialogue, and in 1984 both sides held their first ministerial meeting.

The second phase of EU-Japan relations may also span three decades, from the 1990s to the 2010s. It is characterized by a normalization of economic dialogues while attempting to establish a more strategic framework for cooperation in trade and security underpinned by converging values.

Since 1991, leaders from the EU and Japan usually hold annual summits. The first one was held in The Hague (Netherlands) where they signed a joint strategic declaration to enhance overall relations.⁵ Yet, links between the EU and Japan in that decade remained weak due to a lack of understanding, trust, and interest.⁶

In their 10th summit, held in Brussels in 2001, both sides adopted a comprehensive EU-Japan action plan with many goals within four major objectives: promoting peace and security; strengthening the economic and trade partnership within globalization dynamics; coping with global and societal challenges; and bringing together people and cultures.⁷ People-to-people exchanges in education, science and technology did begin to develop. But once again, the concerned officials, think-tank analysts and academics that have written on the evolution of the EU-Japan bilateral relationship shared the view that despite much diplomatic ceremony and recurrent dialogues, most strategic goals of the action plan were not advancing substantially as they lacked focus and capabilities.⁸

In the 18th EU-Japan summit held in Prague in 2009 leaders expressed interest in enhancing economic relations, as seen in paragraph 34 of the summit declaration.⁹ Yet, in the 19th summit held in Tokyo in 2010, leaders set up a high-level group with the task of identifying options for the comprehensive strengthening of all aspects of Japan-EU relations and defining the framework for implementing it.¹⁰ In 2011, in the 20th summit held in Brussels, EU and Japanese leaders did

⁵ *Joint Declaration on Relations Between The European Community and Its Member States and Japan*, http://eeas.europa.eu/japan/docs/joint_pol_decl_en.pdf, and www.mofa.go.jp/region/europe/eu/overview/declar.html.

⁶ S. Nuttall, *Europe and Japan*, in *Europe and the Asia-Pacific* 175–176 (H. Maull, G. Segal & J. Wanandi eds, Routledge 1998).

⁷ *Shaping Our Common Future. An Action Plan for EU-Japan Cooperation*, http://ec.europa.eu/research/iscp/pdf/policy/jp_action_plan_2001.pdf, and www.mofa.go.jp/region/europe/eu/summit/action0112.html.

⁸ M. Reiterer, *Japan and the European Union: Shared Foreign Policy Interests*, 4(3) *Asia-Eur. J.* 333–349 (2006); *Tokyo-Brussels Partnership: Security, Development and Knowledge-Based Society* (T. Ueta & É. Remacle eds, Peter Lang 2008); J. Gilson, *Drifting Apart? Japan-EU Relations*, in *Routledge Handbook of Japanese Politics* (A. Gaunder ed., Routledge 2011); J. Keck, D. Vanoverbeke & F. Waldenberger eds, *EU-Japan Relations, 1970–2012: From Confrontation to Global Partnership* (Routledge 2013).

⁹ *18th EU-Japan Summit* (4 May 2009), Prague Joint Press Statement, http://eeas.europa.eu/japan/docs/2009_summit_js_en.pdf, and www.mofa.go.jp/region/europe/eu/summit/joint0905.html.

¹⁰ A. Berkofsky, *EU-Japan Relations from 2001 to Today: Achievements, Failures and Prospects*, 24(3) *Jap. F.* 275–279 (2012).

not attempt to upgrade the detailed action plan of 2001, but decided to prepare the stage to negotiate two interlinked agreements: a Strategic Partnership Agreement (SPA) and an Economic Partnership Agreement (EPA).¹¹

Progress in the first few years of negotiations was wanting. This was explained by the status of the EU and Japan in international relations.¹² Or by diplomatic path dependency: 'both sides find it hard to break away from earlier functional and normative assumptions about their relative significance and about each other, in order to forge a new meaningful, overarching partnership'.¹³ So, some experts suggested just to focus on 'interest-led, specific agenda building',¹⁴ while others believed that they could at least cooperate to help develop aspects of global governance.¹⁵ Nevertheless, 'the number of factors that promote the relationship has increased whereas the factors preventing the relationship have decreased'.¹⁶

On 6 July 2017, at the 24th summit meeting in Brussels, and a day before the G-20 summit in Hamburg in which Trump faced much global opposition to his disruptive policies, the presidents of the European Council and the European Commission and the Prime Minister of Japan reached a political agreement 'in principle' to soon finalize both the SPA and EPA.¹⁷ They also aired globally an optimistic statement highlighting their potential to enhance an array of economic links, face new types of strategic challenges like climate change, and 'recapture the shared values and common principles that form the foundation of the EU-Japan partnership, including human rights, democracy and the rule of law'.¹⁸

This article claims that the EU and Japan can substantiate eventual agreements as there are relevant economic and security changes taking place within both the EU and Japan. It first focuses on the evolution of the EU economy during the nearly decade-long crisis, as well as the efforts behind Japan's ongoing economic reforms (*Abenomics*). Afterwards, it argues that both sides are wrapping the developing of their security and defence capabilities in new, global strategies. In a later section it analyses the fundamental values repeatedly mentioned in EU-Japan

¹¹ M. Söderberg, *Introduction: Where is the EU-Japan Relationship Heading?*, 24(3) Jap. F. 249 (2012).

¹² A. Morii, *Dialogue Without Cooperation? Diplomatic Implications of EU-Japan Summits*, 13(4) Asia-Eur. J. 413-424 (2015).

¹³ J. Gilson, *The Strategic Partnership Agreement Between the EU and Japan: the Pitfalls of Path Dependency?*, 38 (7) J. Eur. Integration online 791-806 (2016).

¹⁴ *Ibid.*, at 803.

¹⁵ *The European Union and Japan: A New Chapter in Civilian Power Cooperation?* (P. Bacon, H. Mayer & H. Nakamura eds, Routledge-Ashgate 2015).

¹⁶ M. Tsuruoka, *Japan's Strategy Towards the EU: A Strategic Partnership in Search of Common Goals*, in *Asian Countries' Strategies Towards the European Union in an Inter-Regionalist Context* 33 (H. Su ed., National Taiwan University Press 2015).

¹⁷ European Commission, *EU-Japan Summit: Leaders give Green Light to Landmark Economic and Strategic Partnership Agreements* (6 July 2017), http://europa.eu/rapid/press-release_IP-17-1927_en.htm.

¹⁸ www.consilium.europa.eu/en/press/press-releases/2017/07/06-eu-japan-summit-statement/.

political and diplomatic declarations, that is, democracy, human rights, and the rule of law, but it argues that real convergence based on values would still take a long time to mature. The article concludes with comments on the prospects of ratification and further enhancement of the bilateral relationship.

2 TOWARDS AN ECONOMIC PARTNERSHIP

From humble steps, the EU and Japan have overcome many of their trade frictions and promoted broader economic cooperation. In 1974, the European Commission opened a delegation in Tokyo, and in 1979 set up an executive training programme in Japan to train Europeans in Japanese language, culture and business. In 1987, the European Commission and Japan's then Ministry of International Trade and Industry jointly set up a cooperation centre. Several economic dialogues have advanced since the 1990s, including on trade, de-regulation, industrial policy and cooperation, employment and social issues, as well as and a high-level forum on science and technology.

Yet, statistics did not show a glowing picture.¹⁹ Although the EU and Japan are major economies in terms of GDP and trade, their links remain below potential and stagnant. In the past few years, bilateral trade in goods was quite flat. As for still incipient trade in services, flows from the EU to Japan were increasing, but flows from Japan to the EU were declining slightly. Meanwhile, Japanese direct investment into the EU has long been much larger (it is the EU's main global source) than EU investment in Japan.

So the EU-Japan negotiations specially focused on enhancing economic links via a Free Trade Area/Economic Partnership Agreement (FTA/EPA).²⁰ The European Commission launched in May 2011 a 'Scoping Exercise for EU-Japan FTA' to have a detailed picture of the issues it wanted to negotiate with Japan. Upon its completion in a year, in November 2012 the Foreign Affairs Council (Trade) agreed to give the Commission the mandate to start the economic partnership negotiations, as it promised to deliver very good economic results, and kept some special safeguards.²¹ Macroeconomic studies indeed claimed greater economic welfare in both countries if a deep FTA/EPA is achieved.²²

¹⁹ *European Commission Directorate General for Trade*, <http://ec.europa.eu/trade/policy/countries-and-regions/countries/japan/>.

²⁰ The terminology of this agreement was not settled during the negotiations, because the EU traditionally prefers FTA for its economic agreements with developed partners, while Japan prefers the term EPA for its agreements and negotiations as they include many issues beyond trade.

²¹ Council of the European Union, *Press Release, 3170th Council Meeting* (Brussels 31 May 2012), www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/130564.pdf.

²² D. Smeets, *A Free Trade Agreement Between the EU and Japan – What is to be Expected?*, 13(1) *Asia-Eur. J.* 57–73 (2015).

Progress in the trade negotiations was slow in the first few years to the point that the EU considered downgrading a summit meeting.²³ The EU eventually released in May 2016 to the general public a comprehensive report on the status-quo of the negotiations.²⁴ In it one could see that the agenda was as broad as the ones of other mega-FTAs.²⁵ By then the EU and Japan were close to an agreement on equivalence for sanitary and phytosanitary measures, but there was still limited progress on general rules for trade in goods, on anti-dumping/anti-subsidies, cars, agricultural products or alcoholic drinks, animal welfare, geographical indications and other issues.

A breakthrough eventually happened in July 2017 with an agreement in principle.²⁶ The EU and Japan are nowadays aiming to raise from about 70% to well over 90% of trade without tariffs. The EU would phase tariffs in cars, while Japan would abolish tariffs on almost all industrial products and even in some politically-sensitive food products, although cheese would still face quotas. Geographical indicators would be protected. Some services, mainly in transport and finance, would be partially liberalized. The EU would also gain better access to Japan's government procurement in medium-sized cities and in railways. Although common rules of origin are quite detailed, the EPA still needs to agree on many other non-tariff issues, like standards for many primary, industrial and service sectors. Still, it is not expected to include new procedures for settling disputes between investors and governments, nor collaboration on data protection, key for the global cyber age, as Japan prefers softer regimes than the EU does. Anyway, as the WTO Doha Round and the Transatlantic and Trans-Pacific economic agreements are stalled, the EU-Japan EPA would become the most significant economic liberalization agreement of the decade.²⁷

Substantiating the EPA and hoping to gradually enhance global trade and investment is possible as the economies of both the EU and Japan keep evolving and converging.

²³ *EU may Downgrade Summit with Japan as Trade Talks Stall*, Jap. Times (5 Mar. 2016), www.japantimes.co.jp/news/2016/03/05/business/eu-may-downgrade-summit-with-japan-as-trade-talks-stall/.

²⁴ http://trade.ec.europa.eu/doclib/docs/2016/may/tradoc_154554.pdf.

²⁵ It covers 14 areas: (1) Trade in goods (including Market Access, General Rules and Trade Remedies); (2) Non-Tariff Measures and Technical Barriers to Trade; (3) Rules of Origin; (4) Customs and Trade Facilitation; (5) Sanitary and Phytosanitary Measures; (6) Trade in Services; (7) Investment; (8) Procurement; (9) Intellectual Property (including Geographical Indications); (10) Competition Policy; (11) Other issues (General and Regulatory Cooperation, Business Environment, Animal Welfare); (12) Trade and Sustainable Development; (13) Dispute Settlement; (14) General, Institutional and Final Provisions and Transparency.

²⁶ http://trade.ec.europa.eu/doclib/docs/2017/july/tradoc_155693.doc.pdf.

²⁷ <http://bilaterals.org/>.

3 CONVERGENCE OF DOMESTIC ECONOMIES

Political and business elites have traditionally aimed for the EU to be a capitalist market economy without tariffs nor many barriers to trade.²⁸ The EU internal market in goods has over several decades become quite liberalized, services increasingly so since the 1990s, and competition among businesses assured by the European Commission. There is still much work needed to accomplish a genuine single market.²⁹ For instance, regulation in already liberalized sectors can be improved, bilateral investment treaties are still not merged, agriculture remains expensive and very regulated, while energy, patents and public procurement, as well as social safety nets, remain largely controlled by Member States with different priorities.

On top of the single market, a monetary union, first tried in the 1970s, began emerging in the 1990s. The Eurozone now has nineteen Member States while several other countries gravitate to the actions of the European Central Bank (ECB) system. However, its faults became visible as it was hit by a financial crisis sparked in the US. Since 2007, Europe has generally experienced economic recessions and stagnation affecting peoples, firms and governments. At first, the EU and was caught in between ‘better’ and ‘more’ approaches to move forward.³⁰

A middle way forward is what actually has taken place. There have been various bailouts from Northern to Southern Europe conditioned on important domestic reforms, several monetary stimuli mainly from the ECB partly inspired by Japan,³¹ stronger banking regulations, and other measures that put the EU on a still slow growth track.³² Meanwhile, the European Commission President Juncker launched in 2014 a large and growing investment fund leveraging private resources. Critics pointed out that ‘many of the underlying conditions that produced the Eurozone crisis remain unaddressed’.³³ Greece’s economy is still very weak, Italian banks risk default, public deficits and accumulated debts remain high, and there is still no fiscal union in sight. Yet, in mid-2017, the mood for a EU-led

²⁸ J.-C. Defraigne & P. Nouveau, *Introduction à l’Economie Européenne*, 2^e ed. (Deboeck, 2017).

²⁹ J. Pelkmans, *What Strategy for a Genuine Single Market?*, Special Report No 126 (Centre for European Policy Studies 2016), www.ceps.eu/publications/what-strategy-genuine-single-market.

³⁰ Jean-Claude Trichet et al., *A Report to the Trilateral Commission by the 2012/2014 European Group Task Force on Credible European Governance* (Washington, DC, Brussels and Tokyo 2014), www.trilateral.org/download/doc/EU%20TF_on_Governance_FINAL_MAY_2014.pdf.

³¹ N. Roubini, *Abenomics, European-Style* (31 Aug. 2014), www.project-syndicate.org/commentary/nouriel-roubini-supports-ecb-president-mario-draghi-s-plan-to-revive-eurozone-growth.

³² Eurostat *Economic Indicators*, <http://ec.europa.eu/eurostat/cache/infographs/economy/desktop/index.html>; The Economist, *Economic and Financial Indicators*, www.economist.com/node/21604509.

³³ B. Eichengreen, *Europe’s Poisoned Chalice of Growth* (15 Apr. 2015), www.project-syndicate.org/commentary/europe-growth-reform-by-barry-eichengreen-2015-04?barrier=true.

economic recovery was optimistic,³⁴ although there are still some challenges to overcome.³⁵

Abenomics (the popular term for Abe's government economic strategy) is a complex set of reforms aiming to revitalize Japan within three macroeconomic pillars or 'arrows'.³⁶ In June 2013 the government announced its preliminary goals, in June 2014 released a much more comprehensive strategy with over 240 detailed proposals, in June 2015 revised goals were to pay more emphasis to productivity, and in mid-2016 announced further stimuli requiring new public debt. *Abenomics'* first arrow is aggressive monetary policy by the Bank of Japan, which has successfully averted the deflation of the economy. The second arrow is a new fiscal policy that benefits producers while increasing the consumption tax, but reaching fiscal consolidation still seems very elusive. The third arrow is the most comprehensive and difficult to achieve as it aims to promote a more liberal regulatory environment, focusing on corporate governance, on markets like agriculture and health with very powerful vested interests, on promoting productive human capital and innovation, and on creating special economic zones. Tokyo's hosting of the summer Olympic Games in 2020 and other large-scale entertainment events may be considered a special arrow expected to bring both economic benefits and lift national spirits.

Economic progress in Japan is real although its speed is debated. The Japanese government led by Shinzo Abe remains publicly optimistic of *Abenomics*, highlighting, for instance, growth in jobs or tourist revenues. Nevertheless, critics highlight the lack of focus on raising consumer demand and structural rigidities, like barriers for women and foreigners.³⁷

5 TOWARDS A STRATEGIC PARTNERSHIP

Yearly EU-Japan summits produced long statements listing not only bilateral, but also regional and global issues in which they would like to increase cooperation. In that vein, the July 2017 agreement in principle for a SPA is an attempt to explore

³⁴ D. M. Herszenhorn & J. Barigazzi, *Mario Draghi's Secret Formula to Explain EU's Good Mood* (23 June 2017), www.politico.eu/article/europe-economy-mario-draghis-secret-formula-to-explain-eus-good-mood-e/♥/.

³⁵ S. Johnson, *A European Economic Miracle?* (30 June 2017), www.project-syndicate.org/commentary/eurozone-sustainable-economic-recovery-by-simon-johnson-2017-06.

³⁶ www.japan.go.jp/abenomics/index.html; www.cfr.org/japan/abenomics-japanese-economy/p30383.

³⁷ T. Hoshi, *Abenomics: Where are We now?*, Presentation at the US – Japan Forum: Uncertain Prospects and Policy Challenges for the Global Economy (Washington, DC 25 Sept. 2015), www.jef.or.jp; *Three-Piece Dream Suit*, *Economist* (20 July 2016), www.economist.com/news/finance-and-economics/21702756-abenomics-may-have-failed-live-up-hype-it-has-not-failed-and; S. Shibata, *Re-Packaging Old Policies? 'Abenomics' and the Lack of an Alternative Growth Model for Japan's Political Economy*, 29(3) *Jap. F.* 399–422 (17 Feb. 2017).

variegated common interests ranging from climate change to migration management, from basic research to security.³⁸

The climate of insecurity near both the EU and Japan will probably entice both sides to first enhance soft forms of security cooperation hoping to reduce tensions in Ukraine, Crimea, Syria, Israel-Palestine, Iran, the Korean peninsula, or the South China Sea. Nuclear proliferation in North Korea is particularly highlighted as further escalation may turn into a global conflict.³⁹ Hard, military cooperation may also happen in the medium term. But moving beyond dialogue into substantial collaboration in other, seemingly less pressing issues, will probably take even more time as both sides slowly enlarge their global strategic visions.

The contested terminology of the SPA during negotiations reflected the uncertain eventual scope and resources to be allocated to the many issues being discussed. Not all EU Member States use the term ‘strategic’ when referring to the SPA negotiations. Moreover, although the EU and Japan claimed in summit statements during most of the 2000s to be strategic partners, that terminology did not appear in the statements of 2010 and 2011. In the EU, negotiators sometimes used the term Framework Agreement which they reserve for a variety of political agreements with economic components.

5.1 CRAFTING GLOBAL STRATEGIES

Europeanism and Transatlanticism have long been the two main strategic thinking approaches in Europe, while neutralism and superpower visions remain secondary.⁴⁰ This assessment is being rebalanced, albeit very slowly, as the EU advances more comprehensive strategies.⁴¹ The EU Defence Council meeting of December 2013, the first one in several years, invited the High Representative to upgrade the 2003 European Security Strategy. The EU Global Strategy (EUGS) on Foreign and Security policy was presented by the High Representative to the European Council in June 2016.⁴² It reiterates general principles of security, democracy, and sustainable, open and fair prosperity, and highlights that the EU’s priorities should be an integrated approach to conflicts.

³⁸ www.consilium.europa.eu/en/meetings/international-summit/2017/07/06/.

³⁹ www.consilium.europa.eu/en/press/press-releases/2017/07/06-eu-japan-dprk/.

⁴⁰ P. Venesson, *Competing Visions for the European Union Grand Strategy*, 15(1) Eur. Foreign Aff. Rev. 57–75 (2010).

⁴¹ A. Missiroli, *Strategic Foresight – and the EU* (European Union Institute for Security Studies 2013), www.iss.europa.eu/content/strategic-foresight-and-eu.

⁴² European External Action Service, *Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union’s Foreign And Security Policy* (Brussels, 2016), <http://europa.eu/globalstrategy/>; www.iai.it/en/persone/nathalie-tocci.

Geographically, the EUGS focuses on Europe's neighbourhood. Yet, to deal with the current global disorder, the EU would promote a global multi-level governance approach,⁴³ as it wishes to cooperate with states and non-state actors, regional orders (especially NATO but also those developing in Asia), and international organizations (with the UN at the core), for security, economic and social goals. Furthermore, Asia would become a key factor for Europe's future as the US rebalances its priorities towards a region facing several challenges, mainly a rising China: indeed, almost at the same time of releasing the EUGS, EU institutions presented details to enhance a EU strategy towards China.⁴⁴ Stressing EU values, it highlighted issues like law, human rights and the environment.

From the 1950s until the 1980s, under a conservative political system, the reign of Emperor Hirohito (*Showa* era), and as junior partner to the United States in the Cold War, Japan rapidly grew demographically and became the second largest economy in the world. Since the 1990s, with a political system in turbulence, the reign of Emperor Akihito (*Heisei* era), and the post-Cold War fluid system in which China and other powers and actors grow, Japan stagnated demographically and economically. However, since 2013 Japan is undertaking political and economic changes hoping to regain its former strength as the Shinzo Abe government is advancing a set of comprehensive reforms mixing economic (*Abenomics*), social and security goals.⁴⁵

Japan's external strategy has since the 1950s been to try to thrive by linking to growth drivers while maintaining a strong security alliance with the United States. Some argued that '[b]y trying to pursue a policy that is simultaneously UN-centred, Asia-oriented, autonomous, and consistent with the goals of the bilateral alliance with the United States, Japan's foreign policy ends up confused and ineffective'.⁴⁶ In particular, the US-Japan arrangement was at risk of drifting as power evolved globally.⁴⁷

So it was time for Japan to carefully design a grander and more coherent strategy.⁴⁸ Eventually, the same academic advanced a framework to develop

⁴³ C. de Prado, *Global Multi-Level Governance: European and East Asian Leadership* (United Nations University Press 2007).

⁴⁴ European Commission and High Representative of the Union for Foreign Affairs and Security Policy, *Joint Communication: Elements for a New EU Strategy on China* (22 June 2016), http://eeas.europa.eu/archives/docs/china/docs/joint_communication_to_the_european_parliament_and_the_council_-_elements_for_a_new_eu_strategy_on_china.pdf.

⁴⁵ S. Abe, *The Second Opening of Japan* (21 Apr. 2014), www.project-syndicate.org/commentary/shinzo-abe-uses-barack-obama-s-visit-as-an-opportunity-to-lay-out-his-country-s-grand-strategy.

⁴⁶ R. Samuels, *Japan's Goldilocks Strategy*, 29(4) *Washington Q.* 111–127 (2006).

⁴⁷ R. Armitage & J. Nye, *The US-Japan Alliance; Anchoring Stability in Asia* (Centre for Strategic and International Studies 2012), <http://csis.org/publication/us-japan-alliance-1>.

⁴⁸ T. Inoguchi, *Japan Desperately Needs Grand Strategy*, PacNet 23 (Honolulu, Hawaii: Pacific Forum CSIS 25 Mar. 2009), www.csis.org/analysis/pacnet-23-japan-desperately-needs-grand-strategy.

greater internal and external capacities, balancing security concerns with more political institutions and economic development.⁴⁹ And so, a broad view of security is particularly being enhanced as in 2013 the government of Shinzo Abe issued Japan's first National Security Strategy. In line with Japan's character, it is somewhat ambiguous as it tries not to displease anyone, although its 'proactive pacifism' keeps the door open for enhanced capabilities and foreign operation within any type of coalition under international law.⁵⁰ It particularly enhances its alliance with the United States, but it also details a broad interest in collaborating with the large array of Europe's soft power assets, including the EU.

5.2 ENHANCING SECURITY CAPABILITIES

Largely under the umbrella of the United States, and despite their trade frictions, EU and Japanese officials and experts have pursued since the 1970s many dialogues on security, sometimes leading to practical cooperation mainly in soft, non-military matters.⁵¹ First discussions centred in environmental risks, which over time facilitated cooperation ranging from forests to climate change. Efforts since the 1980s to jointly provide development aid have broader potential as both the EU and Japan are the world's largest donors and those sources could be used to enhance mutual (human) security capabilities.⁵² Humanitarian cooperation has also improved since 2011.⁵³

Nowadays, dialogues also explore issues like terrorism, cyber-security, science and technology, energy, disarmament and non-proliferation.⁵⁴ Military security cooperation between the EU and Japan has not yet been substantial.⁵⁵

⁴⁹ T. Inoguchi, *A Call for a New Japanese Foreign Policy: The Dilemmas of a Stakeholder State*, 90(4) Int'l Aff. 943–958 (2014), <http://onlinelibrary.wiley.com/doi/10.1111/1468-2346.12149/abstract>.

⁵⁰ Government of Japan, *National Security Strategy* 1 (Tokyo 2014), http://japan.kantei.go.jp/96_abe/documents/2013/_icsFiles/afieldfile/2013/12/18/NSS.pdf; S. Kitaoka, *Japan's New National Security Strategy in the Making*, Speech at the East West Centre (Honolulu, Hawaii 23 Sept. 2013), <http://vimeo.com/77183187>.

⁵¹ O. Mykal, *The EU-Japan Security Dialogue: Invisible but Comprehensive* (Amsterdam University Press 2011).

⁵² *A Proposal for a Way Forward on EU-Japan Cooperation at the Nexus of Security and Development*, Results of the KAS-EJARN Project at the Nexus of Security and Development in 2011/2012, www.kas.de/wf/doc/kas_33560-1522-1-30.pdf?130313094925; A. Fukushima, *Japan-Europe Cooperation for Peace and Stability: Pursuing Synergies on a Comprehensive Approach* (Tokyo Foundation 2015), www.tokyofoundation.org/en/articles/2015/japan-europe-cooperation.

⁵³ http://ec.europa.eu/echo/eu-japan-cooperation-disaster-management-and-humanitarian-aid_en.

⁵⁴ T. Renard, *Partnering for Global Security: The EU, Its Strategic Partners and Transnational Security Challenges*, 21(1) Eur. Foreign Aff. Rev. 9–34 (2016).

⁵⁵ P. Midford, *By Land and by Sea: The Potential of EU-Japan Security Cooperation*, 24(3) Jap. F. 289–316 (2012).

Crisis management was at first pursued through other organizations: in the late 1990s, Japan helped pacify the Western Balkans via the OSCE while Japan helped the EU join the Korea Energy Development Organization, which tried to prevent nuclear proliferation in Northeast Asia. In the following decade the EU and Japan failed to link efforts to achieve peace in Aceh after the Indian Ocean Tsunami, or to train police in Afghanistan. Only in 2014 Japan successfully joined the EU in a multinational counter-piracy naval operation in the Gulf of Aden.⁵⁶ Yet, the two parties are in 2017 working on a framework for Japan's voluntary participation in EU's military missions.⁵⁷ An overview of developments in both the EU and in Japan suggests that in a few years that type of cooperation may take place.

Since the end of the Cold War the EU has gradually enhanced its internal and external security capabilities to become a secondary but relevant actor within the ecosystem of security arrangements centred in Europe.⁵⁸ The Treaty of Lisbon set up a European External Action Service headed by a permanent High Representative and increased the range of civilian and military missions that willing Member State forces may engage in. Those missions signified a minor contribution to European and world peace but, at least, they tested coordination of policies, institutions, people, and equipment.⁵⁹

Since the year 2016 the EU and most of its Member States noticeably began enhancing security cooperation. The EU not only released that year its Global Strategy presented above, it has added new plans and began increasing defence spending after years of decline. The overall defence budget of Member States grew remarkably in 2016 (up by 8.3%)⁶⁰ and, preparing for a larger EU defence fund, the 2017 funding for the European Defence Agency began to grow modestly (1.6%).⁶¹ Substantial EU-NATO cooperation finally became a

⁵⁶ A. Missiroli ed., *The EU and the World: Players and Policies Post-Lisbon – A Handbook*, 166–167 (European Union Institute of Security Studies 2016), www.iss.europa.eu/content/handbook-%E2%80%93-80%93-eu-and-world-players-and-policies-post-lisbon.

⁵⁷ I. Angelescu, *EU-Japan Agreement: Good News on the Long Road to a Deal* (14 July 2017), www.ecfr.eu/article/commentary_eu_japan_agreement_good_news_on_the_long_road_to_a_deal_7214.

⁵⁸ <https://eeas.europa.eu/topics/common-security-and-defence-policy-csdp/5388/shaping-of-a-common-security-and-defence-policy-en>; www.consilium.europa.eu/en/policies/defence-security/.

⁵⁹ R. Cooper, *How does the European Union Contribute to Security?*, Working paper 44 (Robert Schuman Centre for Advanced Studies Global Governance Programme 2013), http://cadmus.eui.eu/bitstream/handle/1814/27498/RSCAS_2013_44.pdf?sequence=1.

⁶⁰ T. Kingston, *Russian Aggression Drives Increase in European Defense Spending*, Defense News (18 Feb. 2016), www.defensenews.com/story/defense/international/europe/2016/02/18/russian-aggression-drives-increase-in-european-defense-spending/80580956/; *Defence Budgets and Cooperation in Europe: Developments, Trends and Drivers* (A. Marrone, O. De France & D. Fattibene eds, Istituto Affari Internazionali et al. 2016) www.iai.it/sites/default/files/pma_report.pdf.

⁶¹ R. Emmott, *EU Agrees Defence Budget Increase as Britain Lifts Block* (16 Nov. 2016), <http://finance.yahoo.com/news/eu-agrees-defence-budget-increase-170822578.html>.

reality just before the European Council meeting in December 2016.⁶² In May 2017, Merkel pressed for greater European cooperation (suggesting that the indispensable US and the UK may not be reliable),⁶³ and the quick activation of flexible cooperation in the field of defence via Permanent Structured Cooperation was called by the European Council in June.⁶⁴

Meantime, Japan relentlessly expands its security roles and capabilities under the US oversight.⁶⁵ During the Cold War Japan's sizeable self-defence forces hardly ever ventured abroad, but since the nineties thousands of military and police officers have provided relief in disaster areas, participated in peace-keeping operations, helped the US global war on terror, and financially supported several operations. In the current decade, Abe's government set up a National Security Council to centralize analysis and advice, increased the defence budget, established an equipment procurement agency that can globally exchange technology and equipment, agreed with the US on new guidelines to enhance their bilateral alliance to be ready to act in the region and beyond, legally protected state secrecy and, despite large public protests and expert criticisms, enacted a package of legislation to reinterpret Article 9 of Japan's Constitution to allow its forces to carefully participate in some collective, self-defence missions.

6 ON FUNDAMENTAL VALUES

In an attempt to become all encompassing, Summit declarations between the EU and Japan highlight democracy, rule of law, and human rights. Echoing it, Japan's ambassador to the EU proclaimed in this journal in 2016: 'Above all, the cooperation is firmly based on our unwavering shared commitment to fundamental values, namely democracy, human rights and the rule of law.'⁶⁶ Yet, for the 2017 summit declaration, Japan seemed reluctant to include issues beyond trade and security:

⁶² European External Action Service, https://eeas.europa.eu/headquarters/headquarters-homepage/16643/eu-and-nato-start-new-era-of-cooperation_en; S. Biscop & J. Lindley-French, *What are the Real Prospects for Strengthened European Defence?*, NATO Rev. (2016), www.nato.int/docu/review/2016/Also-in-2016/debate-sven-biscop-julian-lindley-french-european-defence-nato-security/EN/index.htm.

⁶³ www.breitbart.com/news/merkel-warns-us-britain-no-longer-reliable-partners/.

⁶⁴ www.consilium.europa.eu/en/meetings/european-council/2017/06/22-23/.

⁶⁵ International Institute of Strategic Studies, *Asia-Pacific Regional Security Assessment 2016* 39–54 (2016), www.iiss.org/en/publications/strategic%20dossiers/issues/asia-pacific-regional-security-assessment-2016-2288/rsa16-05-chapter-3-5122; G. Delamotte, *Japan's Decisive Defence Development* (9 May 2016), www.ecfr.eu/article/commentary_japans_decisive_defence_development_7021; *Japan Ministry of Defence Annual White Papers*, www.mod.go.jp/e/publ/w_paper/index.html; *Japan Ministry of Foreign Affairs Security Policy*, www.mofa.go.jp/policy/security/.

⁶⁶ K. Katakami, *Guest Editorial – The Japan-EU Relationship: A True Strategic Partner Based on Mutual Trust*, 21(2) Eur. Foreign Aff. Rev. 159–163 (2016).

Tokyo signalled it preferred a statement solely on the trade deal. Japanese officials also weren't best pleased about the fact that Brussels linked the trade deal to assurances on democracy or human rights – as if the Japanese government had deficits in these areas. A possible compromise could be to draft a downscaled text confined to endorsing the political agreement of the trade deal and a collaboration against terrorism, one diplomat suggested.⁶⁷

That may be because the nature of fundamental values still differs in the EU and Japan:

A normative partnership between Japan and the EU is still premature, and needs the accumulation of further practical cooperation. On several issues, such as the abolition of the death penalty, Japan and the EU think differently, and their interpretations of human rights are not the same. So it might be possible to argue that Japan's normative turn is just a rhetorical one.⁶⁸

Are fundamental values between EU and Japan very similar, as officials propagate, or different enough to preclude more actors and issues beyond trade and security to substantiate their relationship? Let's first look at the EU and Japan generally, and then focus on democracy, human rights and the rule of law separately.

The EU was built on liberal and solidarity principles in an unprecedented effort, largely aided by the US, to bury its conflictual past. European countries that wanted to join the Community had to accept the civil liberties underpinning the single market. Since the 1990s candidates to the EU have to fulfil the 'Copenhagen criteria' of democracy, rule of law, human rights, functioning market economy, respect and protection of minorities, and acceptance of the obligations and intent of the EU.⁶⁹ Since the Treaty of Lisbon, fundamental values further underpin the EU and its relations with the rest of the world. Well, in fact, not all EU members fully respect them and nowadays there is a debate about sanctioning some countries.⁷⁰

Furthermore, in external relations, conditions vary according to the many types of possible associations and partnerships (ten, including the one with Japan, are supposed to be particularly strategic), but the EU has long been considered a normative power in the global scene.⁷¹ The values of the EU remain Western

⁶⁷ H. von der Burchard & J. Hanke, *EU and Japan Hit Back at Protectionism with Trade Deal* (12 July 2017), www.politico.eu/article/eu-and-japan-negotiators-seal-trade-agreement/.

⁶⁸ Y. Hosoya, *The Evolution of the EU-Japan Relationship: Towards a 'Normative Partnership'?*, 24(3) Jap. F. 332 (2012).

⁶⁹ http://ec.europa.eu/enlargement/policy/conditions-membership/index_en.htm.

⁷⁰ G. Friedman, *Hungary, Poland and Illiberal Democracy*, Euractiv (22 Mar. 2016), www.euractiv.com/section/global-europe/opinion/hungary-poland-and-illiberal-democracy/.

⁷¹ I. Manners, *Does the EU Act as a Normative Power? The European Union's Normative Power in Global Politics*, in *Key Controversies in European Integration 192–198* (H. Zimmermann & A. Dür eds, Palgrave Macmillan 2012).

despite different interests, priorities, and reluctance to share the costs of defending them.⁷²

Japan traditionally preferred group order over individual human rights, consultations to induce consensus over democratic decision, and mediation behind closed doors over the rule of law in public courts.⁷³ Modern Japan's values have evolved substantially, and despite bouts of nationalism they seem to be quiet strong. For instance, Japan's protracted debates about revising its constitution are reaching a crescendo on many issues beyond Article 9⁷⁴; early drafts seemed to move to illiberalism, but recent drafts suggest maintaining if not enhancing safeguards.⁷⁵

Similarly, the external promotion of Japan's values has been questioned. The term 'Arc of Freedom and Prosperity', which symbolized a new direction of Japanese diplomacy and reinforced cooperation with countries sharing such ideals as democracy, freedom, and human rights ceased for a while being a priority in current Japanese diplomatic strategy.⁷⁶ But we will now see in detail that Japan seems generally committed to those values although advances them pragmatically.

6.1 DEMOCRACY

Both the EU Member States and the EU institutions are striving to enhance competitive electoral democracy. The prospects of membership into the EU successfully induced democratic reforms first in Southern Europe and later in Eastern Europe. EU institutions, traditionally elite driven, are trying to reach to all concerned stakeholders. The functional European Commission has lost some power to the intergovernmental European Council, and to the European Parliament. European elections and Europarties remain secondary for the electorate, but after the Brexit referendum centre-right parties in favour of the EU are winning over populist and extremist parties that promised to devolve power to Member States. In particular, France seems to be back in a position to reactivate its relationship with Germany to co-drive the strengthening of the EU.⁷⁷

⁷² W. Wallace, *Are Values Diverging Across the Atlantic?*, 21(3) Eur. Foreign Aff. Rev. 355–364 (2016).

⁷³ *Japan: A Country Study* (R. Dolan & R. Worden eds, Washington: GPO for the Library of Congress 1994), <http://countrystudies.us/japan/>.

⁷⁴ J. W. Hornung, *Constitutional Revision in Japan: Why Change is Hard to Come By*, Foreign Aff. (26 July 2016), www.foreignaffairs.com/articles/japan/2016-07-26/constitutional-revision-japan.

⁷⁵ Harvard University's Reischauer Institute of Japanese Studies, *Constitutional Revision Research Project*, <http://rijs.fas.harvard.edu/crrp/>.

⁷⁶ Y. Hosoya, *The Rise and Fall of Japan's Grand Strategy: The 'Arc of Freedom and Prosperity' and the Future Asian Order*, 18(1) Asia-Pac. Rev. 13–24 (2011).

⁷⁷ M. Leonard, *Can 'Mercron' Deliver for Europe?* (3 July 2017), www.project-syndicate.org/commentary/merkel-macron-mercron-relationship-by-mark-leonard-2017-07.

Post-War Japan's political culture tried to reach consensus among competing gate-keepers which left little room for political leadership.⁷⁸ Prime Ministers usually stayed in office for very short periods, often resorting to populist statements, while officials commanded greater influence in the political process, especially in foreign affairs. Yet, the Japanese electorate is becoming more concerned about politics and voting in favour of liberal reforms. The Liberal Democratic Party (LDP) has been in power for most of the post-war period, and although the electorate gave the helm to the former Democratic Party of Japan (DPJ) in 2009, in 2012 it put the LDP firmly back in power in coalition with Komeito, a Buddhist centrist party.⁷⁹ Shinzo Abe, scion of a family of pro-US politicians, has become a more European-type politician able to lead the LDP and advance reforms, as he has remained in power winning election after election for several years, and having balanced the power of technocrats with hand-picked politicians aids.⁸⁰ At any rate, as an indication of what may happen in national elections, in July 2017, Tomin First no Kai (Tokyoites first group), a new regional party led by Tokyo Governor Yuriko Koike, and supported by Komeito won a large majority of seats in the Tokyo Metropolitan Assembly while the LDP dropped substantially.⁸¹ Two months later, she formed a Party of Hope to contest in a snap national election in October. Although hawkish in foreign policy, Ms. Koike generally supports economic liberalism, administrative transparency and efficiency, women joining the labour force and other policies in a similar way to many European more or less centrist parties.⁸²

Globally, Japan seems to prefer to democratic partners:

A quiet revolution is transforming Japanese diplomacy. This revolution predates the current administration of Prime Minister Shinzo Abe and spans multiple governments in Tokyo, including those run by the now-opposition Democratic Party of Japan (DPJ). For more than a decade, Tokyo has worked to diversify its democratic partnerships beyond the continuing anchor of the U.S.-Japan alliance by forging closer relations with like-minded powers in the Indo-Pacific and beyond. In pursuing a grand strategy of connectivity

⁷⁸ J. Gannon & R. Sahashi, *Japan's Way Forward: The Prospects for Political Leadership and the International Implications*, in *Looking for Leadership: The Dilemma of Political Leadership in Japan 181–196* (R. Sahashi & J. Gannon eds, Japan Centre for International Exchange 2015), www.jcie.org/researchpdfs/PolLeadership/8_gannon.pdf.

⁷⁹ R. Fahey, *Killing the Goose that Laid the Golden Egg? The Anti-Conspiracy Bill and the Future of the LDP-Komeito Coalition*, Japan Forward (27 Jan. 2017), <https://japan-forward.com/killing-the-goose-that-laid-the-golden-egg/>.

⁸⁰ G. Pugliese, *Kantei Diplomacy? Japan's Hybrid Leadership in Foreign and Security Policy*, 30(2) Pac. Rev. 152–168 (2017).

⁸¹ P. Jain, *Tokyo Governor Koike Unsettles Prime Minister Abe's Party*, East Asia F. (16 July 2017), www.eastasiaforum.org/2017/07/16/tokyo-governor-koike-unsettles-prime-minister-abes-party/; A. Mulgan, *Where Is Japan's Party System Headed?*, East Asia F. (10 Oct. 2017), www.eastasiaforum.org/2017/10/10/where-is-japans-party-system-headed/.

⁸² www.yuriko.or.jp.

among democracies, Japan has leveraged different foreign policy instruments, from foreign aid to strategic infrastructure development to defence supply. Japan's ultimate success in this endeavor could determine whether the United States will maintain its leadership in an Asia-Pacific region buffeted by dynamic power shifts.⁸³

6.2 HUMAN RIGHTS

EU Member States have all signed the International Bill of Human Rights centred in the UN, and the European Convention on Human Rights and other conventions centred in the Council of Europe. The EU tries to go further as its Charter of Fundamental Rights, with legal effect by the Treaty of Lisbon, requires upholding (with few opt-outs) many political, social, economic and legal rights for citizens.⁸⁴ Yet, some behaviour of various EU Member States raise concern, and even the UK and Nordic countries draw some criticism.⁸⁵ In particular, the EU nowadays struggles to find arrangements to address the influx of refugees from its troubled neighbourhood as several Member States suffer increasing bouts of racism and xenophobia, give excessive leeway to the police, engage in mass surveillance with few controls, and even close borders.

Meantime, Japan has signed the Universal Declaration of Human Rights, but not all the covenants of the International Bill, and it also draws mild international criticism.⁸⁶ Nonetheless, Japan cooperates with the Council of Europe and is slowly adapting to the EU's position on human rights. For instance, although it only grants refugee status to a very small number of asylum-seekers, Japan provides funds to UN organizations dealing with displaced people,⁸⁷ and is beginning to accept that it needs more immigrants.⁸⁸ Even strong critics acknowledge that the Japanese government is serious about improving its human rights record, and point out that Japanese of mixed ethnicity are winning beauty contests and Olympic

⁸³ D. M. Kliman & D. Twining, *Japan's Democracy Diplomacy* (The German Marshall Fund of the United States 2014), www.spf.org/media/upload/3_GMF_final.pdf.

⁸⁴ http://ec.europa.eu/justice/fundamental-rights/charter/index_en.htm.

⁸⁵ US Department of State, *Human Rights Reports* (2016), www.state.gov/j/drl/rls/hrrpt/humanrightsreport/; Amnesty International, *State of the World 2016/2017*, (London 2017), www.amnestyusa.org/reports/the-state-of-the-worlds-human-rights/.

⁸⁶ *Japan's Ministry of Foreign Affairs*, www.mofa.go.jp/mofaj/gaiko/jinken.html (in Japanese); US Department of State, 2015 Human Rights Reports: Japan (2016), www.state.gov/j/drl/rls/hrrpt/2015/eap/252767.htm; Amnesty International, *ibid.*, at 208–210; Asia-Pacific Human Rights Information Centre, www.hurights.or.jp/english/hurights1/human-rights-in-japan.html.

⁸⁷ M. Pollman, *Japan's Role in the Refugee Crisis*, *Diplomat* (11 Sept. 2015), <http://thediplomat.com/2015/09/japans-role-in-the-refugee-crisis/>; Statement by His Excellency, Mr. Shinzo Abe Prime Minister of Japan at the United Nations Summit for Refugees and Migrants United Nations Trusteeship Council Chamber in New York (19 Sept. 2016), <http://statements.unmeetings.org/media2/7660371/japan.pdf>.

⁸⁸ *Immigration to Japan: A Narrow Passage*, *Economist* (20 Aug. 2016); G. Vogt, *Foreign Workers in Japan*, in *The SAGE Handbook of Modern Japanese Studies* 567–582 (J. Babb ed., Sage 2015).

medals, and women even becoming disruptive political leaders.⁸⁹ Greater social convergence may come with the passing of the *Heisei* era. In July 2016 Emperor Akihito announced his will to abdicate ‘within a few years’, and a month later broadcasted his underlying thoughts.⁹⁰ An expert panel then considered various options and consequences for an unprecedented abdication law, as having a female heir would help transform Japan’s social structure dominated by male elders.⁹¹

The EU occasionally induces Japan to continue enhancing its human rights record, wishing it reformed its criminal laws to harness the powers of the police, to secure better treatment in Japanese prisons or, in particular, to abolish the death penalty.⁹² In 2014, partly due to EU pressure, Japan signed the convention on parental child abduction.⁹³

6.3 RULE OF LAW

The rule of law is another solid value of the EU. Its space of liberty, security and justice was communitarized by the Treaty of Lisbon.⁹⁴ The European Court of Justice and other mechanisms promote it among Member States although more could be done.⁹⁵ Its enforcement has been enhanced as Europol (Police) and Frontex (Border and Coast) have become EU agencies with increasing mandates and resources.

In Japanese legal culture the concept of protecting individual rights in courts is too novel to be as rooted as in the EU. During the *Showa* era law was a secondary means of achieving social order: intra group discipline and conciliation were more used than litigation. Yet, during the *Heisei* era Japan began reforming its justice system, eventually increasing the number of lawyers and judges, and even promoting citizen juries.⁹⁶

In that vein, the EU supported Japan’s accession to the International Criminal Court in 2007, and both partners had agreed on mutual legal assistance in criminal

⁸⁹ D. Arudou, *Japan’s Human Rights Issues Fared Better in 2016*, Jap. Times (9 Jan. 2017), www.debito.org.

⁹⁰ www.kunaicho.go.jp/page/okotoba/detailEn/12.

⁹¹ J. Perry & Y. Wakatsuki, *Japan Passes Historic Law to Allow Beloved Emperor to Abdicate*, CNN (9 June 2017), <http://edition.cnn.com/2017/06/08/asia/abdication-law-japan-passes/index.html>.

⁹² European External Action Service, *Joint Local Statement on Two Executions in Japan* (13 July 2017), https://eeas.europa.eu/headquarters/headquarters-homepage/29777/joint-local-statement-two-executions-japan_en.

⁹³ https://en.wikipedia.org/wiki/Hague_Convention_on_the_Civil_Aspects_of_International_Child_Abduction.

⁹⁴ https://en.wikipedia.org/wiki/Area_of_freedom,_security_and_justice.

⁹⁵ C. Closa, *The EU Needs a Better and Fairer Scrutiny Procedure Over Rule of Law Compliance*, Policy Brief (European University Institute 2015), <http://cadmus.eui.eu/handle/1814/35995>.

⁹⁶ D. Vanoverbeke, *Juries in the Japanese Legal System: The Continuing Struggle for Citizen Participation and Democracy* (Routledge 2015).

matters since 2010. Globally, both sides also promote international law, as seen, for instance, in this declaration: ‘Above all, it is an important role of ASEM to ensure that Asia and Europe work together to maintain liberal and open international order by thoroughly upholding the principle of the “rule of law”.’⁹⁷

7 PROSPECTS OF RATIFICATION AND SUBSTANTIATION

From the sixties till the eighties, relations between the EU and Japan were characterized by trade frictions. During the next three decades both sides have been striving to set appropriate frameworks for more substantive relations. Optimistically put, nowadays both sides hope to finalize agreements for economic and strategic partnerships not only to lower tariffs and many other barriers to trade and investment, but also to broaden security cooperation, and even to address many social and environmental concerns, all underpinned by some convergence of fundamental values of democracy, human rights and the rule of law.

Ratification of the final agreements may prove difficult as vested interested keep fighting for privileges and people in general start to look into it and wonder what’s in for them. The EPA should pass both houses of the Japanese parliament, as well as the parliaments of each EU Member State and, perhaps, of some sub-state parliaments. With luck, all that could happen in a year or two so the EPA could start taking effect in 2019 or 2020, when the next EU institutional leadership should be in place, Brexit clearly addressed, and a post-*Heisei* era crowned by Olympic events.

According to a sustainability report the ‘potential economic gains, outlined in the overall economic analysis, will not be outweighed by negative social and environmental impacts’.⁹⁸ And the agreement in principle highlighted novel issues like corporate governance. Yet, the non-governmental organization Greenpeace published online in early 2017 leaks of chapters of the negotiations to raise concerns about environmental and governance clauses.⁹⁹ This type of contestation may further the already strong opposition to liberalizing economies via large international trade agreements. Even in Germany, the EU’s largest trader, 70% of its citizens do not favour change as the country has been recently doing well in the EU context, and fear of, inter alia, increasing inequality harming workers

⁹⁷ F. Kishida, *Japan’s Initiative for the Asia-Europe Meeting (ASEM)*, Asia-Eur. Found. Newsl. (21 June 2016), <http://asef.org/press/corporate/news-3871-japans-initiative-for-the-asia-europe-meeting-asem->.

⁹⁸ European Commission DG Trade, *Trade Sustainability Impact Assessment of the FTA Between the EU and Japan*, LSE Enterprise (2016), www.tsia-eujapantrade.com.

⁹⁹ <https://trade-leaks.org/jefta-leaks/>.

and consumers.¹⁰⁰ Similarly, many people in Japan have protested against freer trade, so the country elites are quietly focusing to galvanize economic allies to only partially refloat the Trans-Pacific Partnership agreement after the Donald Trump decided not to ratify it.¹⁰¹

At any rate, when looking at the structural evolution of the economies of the EU and Japan, the prospects of further substantiating economic links seem real. Their primary sectors are still very protected but small, so they need new sources of growth in industry and, especially, services. Moreover, continental Member States of the EU promote their coordinated varieties capitalism which are closer to Japan's than the very liberal Anglo-Saxon types that create great inequalities.¹⁰² Thus, there may soon be increasing opportunities for managed trade and investment via large businesses that link to practitioners and propose measures to facilitate economic links, like the EU-Japan Business Round Table (BRT)¹⁰³ comprising about fifty leading companies that exchange views and present yearly to authorities sets of joint recommendations to enhance macroeconomic relations as well as sectoral ones, often in high-technology and service sectors.

Meanwhile, the tensions near the EU and Japan are also inducing both sides to upgrade and link their security capabilities.¹⁰⁴ Ad-hoc human security in search for better global multi-level governance would continue to be the easiest route, but there may be minor opportunities to co-work on military policies, arms, missions, gradually building confidence among elites, and broadening the security culture to win the hearts and minds of more actors, all underpinned by the common values presented in their summit statements.¹⁰⁵ In the meantime, difficult military

¹⁰⁰ M. Fratzscher, *Germany's Strange Turn Against Trade*, Project Syndicate (6 June 2016), www.project-syndicate.org/commentary/germany-opposition-transatlantic-trade-partnership-by-marcel-fratzscher-2016-06.

¹⁰¹ *Can TPP Go Ahead Without America?*, Economist (4 May 2017), www.economist.com/news/asia/21721683-pacific-trade-pact-would-still-benefit-other-11-members-can-tpp-go-ahead-without-america.

¹⁰² P. Vanham, *Davos Leaders Agree: Share more Wealth, or Face the Consequences* (20 Jan. 2017), www.weforum.org/agenda/2017/01/davos-leaders-agree-we-should-share-more-of-the-worlds-wealth-or-face-the-populist-consequences.

¹⁰³ www.eu-japan-brt.eu.

¹⁰⁴ S. Raine & A. Small, *Waking Up To Geopolitics A New Trajectory To Japan-Europe Relations* (German Marshall Fund of the United States May 2015), www.gmfus.org/file/6143/download; E. Pejsova, *EU and Japan: Stepping up the Game* (European Union Institute for Security Studies May 2015), www.iss.europa.eu/content/eu-and-japan-stepping-game; M. Reiterer, *EU Security Interests in East Asia: Prospects for Comprehensive EU – Japan Cooperation Beyond Trade and Economics*, NFG Policy Paper No. 6 (2015), www.asianperceptions.fu-berlin.de/system/files/private/pp615-eu-japan-cooperation.pdf.

¹⁰⁵ A. Rothacher, Manuscript presented in 'The Role of EU and NATO for Japan's Security', International conference regarding the security policy cooperation between Japan, the EU and NATO (Konrad-Adenauer Stiftung, Social and Economic Governance Programme Asia/Japan 9 Mar. 2016), www.kas.de/japan/en/events/67274/, www.kas.de/wf/doc/kas_19155-1442-1-30.pdf?160511042345.

operations in places like Syria or the Korean peninsula would still largely depend on the US leading NATO and other groupings enticing other great powers, that if under Trump eventually become disrupted, would only speed up the convergence of EU's security with its strategic partners around the world.

Even if an EPA lowering tariff and non-tariff barriers and a SPA enhancing security links take effect this decade, the EU and Japan would still need to go beyond the rhetoric of shared values to galvanize resources that strengthen more types of links. Only a few services partially deregulated since the nineties are mentioned in the EPA, and the SPA gives little consideration to collaborating in the many service sectors under governmental control. For a grander, more comprehensive partnership, the growing number of experts and people able to place EU-Japan economic and security links in global perspective should also consider the value of enhancing education at all levels, traditional and new media, sports beyond Olympics, inspiring arts and other ways to enhance relations among a broader array of peoples.